

## **STATEMENT OF PURPOSE**

### **RS22588**

The Patient Protection and Affordable Care Act (PPACA), passed by Congress in 2010, imposes a variety of taxes on the healthcare industry. These taxes include a 2.3% medical device tax imposed on a manufacturer, producer or importer; based on the product sales price. An estimate of the tax burden over the next 10 years is approximately \$29 billion. In addition to being a potential deterrent of product innovation, these costs will ultimately be passed on to Idaho consumers. This legislation urges the Secretary of the United States Department of Health and Human Services to suspend the imposition of all PPACA taxes and to conduct a national review which will provide a clear understanding of the impact.

### **FISCAL NOTE**

There is no anticipated direct impact to the General Fund from any of the PPACA taxes. However, based on a March 2012 report, Idaho has approximately 2,000 employees directly employed by the advanced medical technology industry. The potential impact of the 2.3% medical device tax could be the loss of nearly 100 jobs and \$11.5 million of economic output. There would also be substantial impact to Idahoans from all the PPACA taxes.

#### **Contact:**

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